

## **AWARD FEE DETERMINATION PLAN**

**For**

**U.S. Army Communications-Electronic Command (CECOM)  
Logistics, Maintenance, and Sustainment Support for Command, Control,  
Communication, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR)  
Systems**

**Task Order GSC-QF0B-16-33016**

**This AFDP is applicable to Period One (*Dates inserted at award*)**

### **SECTION 1: INTRODUCTION**

This Award Fee Determination Plan (AFDP) provides procedures for evaluating the contractor's performance on the CECOM Task Order on a Cost-Plus-Award-Fee (CPAF) basis for Task Order (*inserted at award*). A Quality Assurance Surveillance Plan (QASP) is a FAR 46.401 requirement; this AFDP replaces the QASP for the work performed on a CPAF basis. The AFDP may be revised unilaterally by the Government at any time during the period of performance. The Government will make every attempt to provide changes to the contractor 15 workdays prior to the start of the evaluation period to which the change will apply. The AFDP may be re-evaluated each evaluation period with input from the contractor. The award fee objective for this Task Order is to afford the contractor the opportunity to earn award fee commensurate with optimum performance:

- a. By providing a workable AFDP with a high probability of successful implementation.
- b. By clearly communicating evaluation procedures that provide effective two-way communication between the contractor and the Government.
- c. By focusing the contractor on areas of greatest importance in order to motivate outstanding performance.

The amount of the Award Fee earned and payable to the contractor for achieving specified levels of performance will be determined by the Award Fee Determination Official (AFDO), with the assistance of the Award Fee Evaluation Board (AFEB), per this Plan. The maximum fee payable for any period is 100% of the Award Fee Pool Allocation. The contractor may earn all, part, or none of the Award Fee allocated to an evaluation period.

Standard terms used in the AFDP are:

**Award Fee Pool:** The maximum award fee pool established at award.

**Award Fee Pool Allocation:** The amount of the award fee pool that is allocated and potentially earned from the Award Fee Pool for the specific award fee period subject to the AFDP.

## SECTION 2: EVALUATION PERIODS

The Government will evaluate contractor performance every six months to determine award fee payment. Each CPAF labor Contract Line Item Number (CLIN) will contain two distinct Award Fee Evaluation Periods for a twelve-month period. Mid-Period reviews will be scheduled concurrent with in-process reviews as practicable.

**Award Fee Evaluation Periods**

CLIN(s)	PERIOD	Award Fee Evaluation Period Dates (Month, Day, Year)
0001, 0002, and 0003	1	<i>Month Day, 20XX - Month Day, 20XX</i>
0001, 0002, and 0003	2	<i>Month Day, 20XX - Month Day, 20XX</i>
1001, 1002, and 1003	3	<i>Month Day, 20XX - Month Day, 20XX</i>
1001, 1002, and 1003	4	<i>Month Day, 20XX - Month Day, 20XX</i>
2001, 2002, and 2003	5	<i>Month Day, 20XX - Month Day, 20XX</i>
2001, 2002, and 2003	6	<i>Month Day, 20XX - Month Day, 20XX</i>
3001, 3002, and 3003	7	<i>Month Day, 20XX - Month Day, 20XX</i>
3001, 3002, and 3003	8	<i>Month Day, 20XX - Month Day, 20XX</i>
4001, 4002, and 4003	9	<i>Month Day, 20XX - Month Day, 20XX</i>
4001, 4002, and 4003	10	<i>Month Day, 20XX - Month Day, 20XX</i>

The Award Fee periods may be changed at the unilateral discretion of the Government.

## **SECTION 3: AWARD FEE POOL ALLOCATION FORMULA**

### **3.1 Maximum Award Fee**

The maximum Award Fee Pool for Task Order (*inserted at award*) over the life of the Task Order is \$(*inserted at award*).

The maximum Award Fee Pool Allocation determined for each period shall never exceed the matching proportional amount of Award Fee listed in Task Order Section B CLIN for the applicable period of performance.

### **3.2 Allowable Award Fee Pool Allocation Methods**

There are two methods to determine the maximum Award Fee Pool Allocation for each period.

#### **3.2.1 Planned Value**

Prior to the start of an award fee evaluation period, the AFDP is incorporated into the Task Order by modification, identifying in **Section 4** and **Section 8**:

- a. Planned Cost for the Award Fee Evaluation Period (**Section 4**).
- b. Cost Control Criteria (**Section 8**).
- c. Service Level Agreements on Cost Control encouraging reductions in cost to achieve higher award fee and/or higher return on sale (**Section 8**).

#### **3.2.2 Incurred Cost**

In the absence of a documented Planned Value, the Award Fee Pool Allocation shall be based on the incurred cost for the period. Incurred cost data shall be provided by the contractor after the end of the Award Fee Evaluation Period, as calculated and reported by the contractor's approved Cost Accounting System. Invoiced cost shall not be used unless incurred cost is not available.

### **3.3 Prohibited Award Fee Pool Allocation Methods**

#### **3.3.1 Funded Cost**

Funded cost will inherently exceed incurred cost. Award Fee Pool Allocations based on the funded cost would artificially increase the total effective award fee percentage higher than the negotiated amount at award. Funded cost shall never be utilized.

#### **3.3.2 Estimated Cost**

Estimated costs at award will inherently exceed incurred cost. Award Fee Pool Allocations based on the estimated cost would artificially increase the total award fee percentage higher than the negotiated amount at award. Estimated cost shall never be utilized.

#### **3.3.3 Equal Distribution**

Equal distribution of the maximum Award Fee Pool inherently deviates from the award fee percentage negotiated at award. Planned value and incurred cost are superior methodologies to provide a consistent and fair Award Fee Pool Allocation pool. Equal distribution shall never be utilized.

### **3.3.4 Weighted Distribution**

Weighted distribution of the maximum Award Fee Pool inherently deviates from the award fee percentage negotiated at award. Planned Value and Incurred Cost are superior methodologies to provide a consistent and fair Award Fee Pool Allocation that correspond inherently to high levels of effort. Weighted distribution shall never be utilized.

### **3.4 First Award Fee Evaluation Period**

The first Award Fee Evaluation Period for all CPAF awards will default to utilizing incurred cost to determine the Award Fee Pool Allocation. Transition activities inherently introduce level of effort variation. A Planned Value cannot be determined prior to award. Subsequent award fee evaluation periods should progress towards Planned Value.

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## SECTION 4: AWARD FEE PLANNED VALUE / RESULTS REPORTING

### 4.1 Initial Award Fee Evaluation Period

The Award Fee Planned Value/Results Reporting Table is completed after the end of the first Award Fee Evaluation Period. The fields to be completed are Cost Incurred Amount (\$), Award Fee Pool Allocation Amount (\$), Earned Award Fee (%), Earned Award Fee Amount (\$), and Unearned Fee Amount (\$).

### 4.2 Second and Subsequent Award Fee Evaluation Period

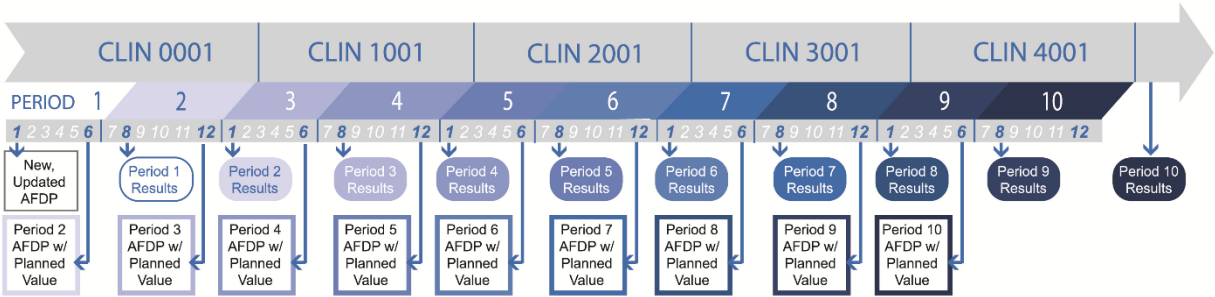
If the Award Fee Pool Allocation methodology is progressing from Incurred Cost to Planned Value, the Planned Value Amount and the Anticipated Funded Cost shall be recorded in the table below prior to the start of the section evaluation period.

The Available Award Fee Pool Allocation Amount, Earned Fee Percent and Amount, and Unearned Fee Amount are completed after each award fee period to record results. If Planned Value allocation was not used, the default Cost Incurred will be reported at the end of the award fee period.

**Award Fee Planned Value Results Reporting Table**

Year	Period	Planned Value Amount (\$)	Anticipated Funded Cost (Planned Value minus Award Fee Pool Allocation)	Cost Incurred Amount (\$)	Award Fee Pool Allocation Amount (\$)	Earned Award Fee Percent (%)	Earned Award Fee Amount (\$)	Unearned Fee Amount (\$) (Lost Award Fee)
Base Year	1	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Base Year	2	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Option Year 1	3	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Option Year 1	4	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Option Year 2	5	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Option Year 2	6	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Option Year 3	7	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Option Year 3	8	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Option Year 4	9	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Option Year 4	10	TBD	TBD	TBD	TBD	TBD	TBD	TBD

**Timeline for Planned Value**



## SECTION 5 - AWARD FEE EVALUATION RATINGS

The following table shows the Award Fee Pool Allocation percentage by scores. The definition for each rating adjective is shown below. The percentages in this section are prescribed in FAR 16.401(e)(3)(iv).

Rating	Percentage of Fee
Excellent	91%-100%
Very Good	76%-90%
Good	51%-75%
Satisfactory	No Greater than 50%
Unsatisfactory	0%

The performance categories, once graded, describe the overall customer satisfaction with the tasks' key indicators. Contained in the ratings is a word picture of standards that allows each monitor to work from a common grading scale.

### EXCELLENT

Contractor has exceeded almost all of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the AFDP for the award-fee evaluation period.

### VERY GOOD

Contractor has exceeded many of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the AFDP for the award-fee evaluation period.

### GOOD

Contractor has exceeded some of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the AFDP for the award-fee evaluation period.

### SATISFACTORY

Contractor has met overall, cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the AFDP for the award fee evaluation period.

### UNSATISFACTORY

Contractor has failed to meet overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the AFDP for the award-fee evaluation period.

## SECTION 6: ORGANIZATIONAL STRUCTURE OF AWARD FEE DETERMINATION

### 6.1 Award Fee Determination Official (AFDO)

The AFDO is the FEDSIM Group Manager. The FEDSIM Contracting Officer (CO) will appoint the AFDO in writing.

The AFDO's responsibilities are:

- a. Approve the AFDP and authorize any changes to the AFDP throughout the life of the Task Order.
- b. Approve the members of the AFEB and appoint the AFEB Chairperson.
- c. Review assessments of contractor performance. Feedback coordinated with the AFEB will be provided to the contractor as appropriate during the evaluation period to enhance overall performance and minimize problems.
- d. Determine the amount of award fee the contractor has earned based on its performance during each evaluation period.

### 6.2 Award Fee Evaluation Board (AFEB)

The AFEB has a Chairperson and Client Representatives and/or Technical Point of Contact(s) (TPOCs). Other voting members of the board are the FEDSIM Contracting Officer's Representative (COR) and representatives from the Client Organization. The FEDSIM CO is a non-voting advisory member of the AFEB. Additional non-voting board members may be performance monitors as deemed appropriate by the AFEB Chairperson. The following table provides the title or role of the individuals that are members of the AFEB. Substitutions are permitted in the event of a schedule conflict, subject to approval by the AFEB Chairperson. Attendance of the non-voting members is not required to convene a board.

Board Position	Title/Role
Chairperson	Inserted at award.
AFEB Voting Member	Inserted at award.
AFEB Voting Member	Inserted at award.
AFEB Voting Member **	Inserted at award.
AFEB Voting Member **	Inserted at award.
AFEB Voting Member	FEDSIM COR
AFEB Non-Voting Member	FEDSIM CO
AFEB Non-Voting Member(s)	Inserted at award.

\*\* Optional seats. The AFEB Chairperson may appoint as many AFEB voting members as desired but must have three voting members in addition to the Chairperson.

Non-voting members will participate in AFEB assessments of performance monitor evaluations and discussions of award fee recommendations. Additionally, non-voting members are allowed to submit written reports on contractor performance to the AFEB for its consideration.

The responsibilities of the AFEB are:

- a. Recommend to the AFDO the specific elements upon which the contractor will be evaluated for each evaluation period.



- b. Request and obtain performance information from performance monitors involved in observing contractor performance.
- c. Evaluate the contractor's performance and summarize its findings and recommendations for the AFDO.
- d. Recommend to the AFDO the percentage of award fee available during an evaluation period which the contractor should receive.

### **6.2.1 AFEB Chairperson**

The responsibilities of the AFEB Chairperson are to:

- a. Conduct AFEB meetings.
- b. Resolve any inconsistencies in the AFEB evaluations.
- c. Ensure AFEB recommendations to the AFDO are timely and made in accordance with the Award Fee Agreement and this Plan.
- d. Ensure timely payment of award fee earned by the contractor.
- e. Recommend any changes to the AFDP to the AFDO.
- f. Ensure and have overall responsibility for the proper execution of the AFDP including managing the activities of the AFEB.
- g. Exerts overall responsibility for all documents and activities associated with the AFEB.
- h. Maintain the award fee files, including current copy of the AFDP, any internal procedures, performance monitor's reports, and any other documentation having a bearing on the AFDO's award fee decisions.

### **6.2.2 Performance Monitors**

Government and Task Order support personnel will be identified by the AFEB Chairperson as performance monitors to aid the AFEB in making its recommendation for award fee.

Performance monitors (responsible for the technical administration of specific tasks issued under the Task Order) document the contractor's performance against evaluation criteria in their assigned evaluation areas(s). The primary responsibilities of the performance monitors include:

- a. Monitoring, evaluating, and assessing contractor performance in assigned areas.
- b. Preparing evaluation reports (scorecards) that ensure a fair and accurate portrayal of the contractor's performance.
- c. Recommending changes to the AFDP to the AFEB Chairperson.

These performance monitors will submit written reports, as required by the AFEB Chairperson, on the contractor's performance to the AFEB for consideration. Submission of their reports will be coordinated through the AFEB Chairperson. Procedures and instructions for the performance monitors regarding midterm and final evaluations are provided below. The final report will be comprehensive and will be completed and submitted to the AFEB Chairperson in a timely manner.

## **SECTION 7: AWARD FEE DETERMINATION PROCESS**

The contractor begins each evaluation period with zero percent of the available award fee and works up to the earned award fee based on performance during the evaluation period.

### **7.1 Monitoring and Assessing Performance**

The AFEB Chairperson will assign performance monitors for the major performance areas. The performance monitors will be selected on the basis of their expertise in the prescribed performance areas and/or their association with specific technical tasks. The AFEB Chairperson may assign and change performance monitors assignments at any time without notice to the contractor. The AFEB Chairperson will ensure that each monitor and board member has copies of the Task Order and all modifications, a copy of this Plan, and all changes and specific instructions for assigned areas.

Performance monitors will conduct assessments of the contractor performance in their assigned areas. Feedback coordinated with the AFEB Chairperson will be provided to the contractor as appropriate during the evaluation period to enhance overall performance and minimize problems.

#### **7.1.1 Instructions for Performance Monitors**

Performance monitors will maintain a periodic written record of the contractor's performance, including inputs from other Government personnel, in the evaluation areas of responsibility. Performance monitors will retain informal records used to prepare evaluation reports for 12 months after the completion of an evaluation period to support any inquiries made by the AFDO. Performance monitors will conduct assessments in an open, objective, and cooperative spirit, so that a fair and accurate evaluation is made. Performance monitors will make every effort to be consistent from period to period in their approach to determine recommended ratings. Positive accomplishments should be emphasized just as readily as negative ones.

- a. Performance Monitor Evaluation Reports: Performance monitors will prepare midterm and final evaluation reports for each evaluation period during which they are a performance monitor. The final reports will be more comprehensive. The reports, at a minimum, will contain the following information:
  1. The criteria and methods used to evaluate the contractor's performance during the evaluation period.
  2. The technical, economic, and schedule environment under which the contractor was required to perform. What effect did the environment have on the contractor's performance?
  3. The contractor's major strengths and weaknesses during the evaluation period. Give examples of the contractor's performance for each strength and weakness listed. Also provide the reference in the specification, Performance Work Statement (PWS), data requirement, Task Order, etc. that relates to each strength or weakness.
  4. A recommended rating for the evaluation period using the adjectives and their definitions set forth in this AFDP. Provide concrete examples of the contractor's performance to support the recommended rating.

## **7.2 Exclusions**

Throughout the entire evaluation period, the contractor shall present and document any exclusion to the period of performance, due to circumstances beyond the control of the contractor, to the AFEB Chairperson within 10 days of the end of the Award Fee Period. The performance monitors should present the exclusions (if any) to the AFEB. If necessary, the AFEB will ask the contractor to present its case. The AFEB, in conjunction with the FEDSIM CO, will make a unilateral decision as to the exclusion from the evaluation.

## **7.3 Contractor Monthly Performance Reports**

The contractor shall prepare Monthly Performance Reports that contains data that can be used to compare against the Performance Standards stated in this AFDP. All Performance Reports, including the raw data, shall be provided to the designated performance monitors.

Performance monitors will collect the Monthly Performance Reports from the contractor, which they will review and analyze for accuracy and, if required, provide an oral or written summary to the AFEB.

## **7.4 Midterm Evaluation Procedures**

The purpose of the midterm evaluation is to provide the contractor with a quick, concise, interim Government review of contractor performance, and provide the contractor with an opportunity to improve its performance prior to the determination of award fee earned at the end of the evaluation period. No award fee is paid based on midterm evaluations.

## **7.5 Final Evaluation Reports**

The performance monitors will provide evaluations for the entire six-month evaluation period. Performance monitors will submit final evaluation reports after the end date of the evaluation period to the AFEB Chairperson.

## **7.6 Contractor Self Evaluation Presentation**

The contractor may prepare a written self-assessment against the AFDP, along with the option of presenting the results to the AFEB upon request. This presentation should last no longer than one hour. If necessary, a subsequent question-and-answer session is permissible.

## **7.7 AFEB Meeting and Memorandum to the AFDO**

The AFEB, after receipt of the contractor's self-evaluation, will meet and evaluate all performance information it has obtained. The AFEB will review the performance monitors' reports and prepare an Award Fee Evaluation Report. The Report will be a memorandum to the AFDO with the AFEB's recommendation.

## **7.8 AFEB Final Report**

After meeting with the contractor, the AFEB will finalize the report and present it to the AFDO. The report will recommend the award fee amount and any unresolved contractor issues to the AFDO.

## **7.9 Issuing Award Fee Determination Report**

The AFDO will consider the final AFEB report and ensure compliance with the AFDP. The AFDO may accept, reject, or modify the AFEB recommendation. The AFDO will make the final determination of the award fee earned during the period. The AFDO's determination of the amount of award fee earned and the basis of the determination will be stated in an Award Fee Determination Report and forwarded to the FEDSIM CO for the Task Order file via modification.

## **7.10 Award Fee Determination Notice**

The FEDSIM CO will prepare this notice to the contractor stating the amount of the award fee earned for the evaluation period. The contractor shall invoice after accepting the modification including the award fee determination and any corresponding deobligation of unearned fee.

## **7.11 Failure to Conduct Timely Award Fee Determinations**

If the Government fails to complete the Award Fee Determination within three calendar months of the end of the Award Fee Evaluation Period for two separate periods, the Government will convert the CPAF CLINs for the remaining periods of performance to Cost-Plus-Fixed-Fee (CPFF). The CPFF type will be term. The fixed fee amount will be the same percentage as negotiated for award fee (limited by the statutory limit of 10 percent).

## SECTION 8: EVALUATION CRITERIA AND WEIGHTS

The AFDP consists of award fee provisions for two distinct areas. The award fee areas are broken down as follows:

60%	Criteria 1 – Transition-In
40%	Criteria 2 – Program Management and Communication
100%	Total

The criteria and weights provided above and discussed in detail below are guidelines to be used in evaluating these areas to determine the appropriate award fee. The criteria and relative percentages will be adjusted for subsequent award fee periods. Members of the AFEB and working group will use the following examples of criteria to evaluate the Contractor's performance during each award fee evaluation period. **Note, the bullets are not sub-criteria, and will not be specifically weighted.**

Service Level Agreements (SLAs) and other subjective criteria may be revised for subsequent award fee periods. Those future SLAs will be developed jointly by the Contractor and Government and may replace some or all of the criteria listed below. The Government has the final say as to what SLAs will be incorporated.

### 8.1 Criteria 1: Transition-In (60%)

- How effective was the contractor in executing its Transition-In Plan?
- How effective was the contractor in capturing knowledge and coordinating activities with the outgoing contractor?
- How effective was the contractor in reaching full staffing levels and on-boarding staff (including, but not limited to, badging, completion of mandatory training, requests for network access, etc.)?
- How effective was the contractor in proactively ensuring lapses in service did not occur and moving toward a steady operational state across all areas of the Task Order while managing Transition-In activities?

### 8.2 Criteria 2: Program Management and Communication (40%)

- How effective and proactive was the contractor in communicating activities, challenges, and operational status updates to appropriate Government personnel across all areas of the Task Order? How effective was the contractor at proactively providing alternatives to meeting changing or surge requirements?
- How effectively did the contractor take ownership of issues and push towards resolution?
- How effective has the contractor performed in ensuring there were no customer complaints, and when presented, how effective and timely was the contractor in resolving the complaints?
- How complete, accurate, and timely were deliverables provided?

- Was the contractor able to foresee and mitigate or avoid problems?
- The contractor will be evaluated on the accuracy of cost estimates, the efficiency of its plans for use of contractor and Government resources, and how well actual usage of resources met those plans. The contractor will also be evaluated on how well it managed costs and its cost mitigation strategies.

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## **APPENDIX 1: AFEB Summary Evaluation Report**

Date:

AFEB Chairperson Name:

Award Fee Period: from \_\_\_\_\_ to \_\_\_\_\_

(Attach additional pages, supporting data, etc. as needed.)

Criteria 1, Transition-In: Rating Adjective/Performance Points

Discussion:

Strengths:

Weaknesses:

Criteria 2, Customer Relationships and Communication: Rating Adjective/Performance Points

Discussion:

Strengths:

Weaknesses:

Award fee rating recommended for this evaluation criteria and period of performance with recommended percentage earned.

AFB Chairperson Signature: \_\_\_\_\_

## APPENDIX 2: AFEB Evaluator's Report

Instructions: Evaluators are requested to use bulletized format for submitting strengths, weaknesses and recommendations. Also, evaluators are encouraged to attach additional sheets, supporting data, etc. for the final report.

Date:

Evaluator Name and Title:

Award Fee Period: from \_\_\_\_\_ to \_\_\_\_\_

Evaluator's Primary Task Area(s) (check all that apply):

60%	Criteria 1 – Transition-In
45%	Criteria 2: Customer Relationships and Communication

Note: Evaluators are NOT limited to evaluating only their own task areas. Experiences in other areas should also be evaluated. However, please indicate your primary area(s) of responsibility.

Special Circumstances during this period and their impact:

Strengths of the Contractor's performance:

Weaknesses in the Contractor's performance (with examples and contract references):

Impact of the Contractor's performance on execution of the program:

Corrective actions recommended, if any:

Award fee rating recommended for this evaluation criteria and period of performance (with supporting examples):

Evaluator Signature: \_\_\_\_\_